



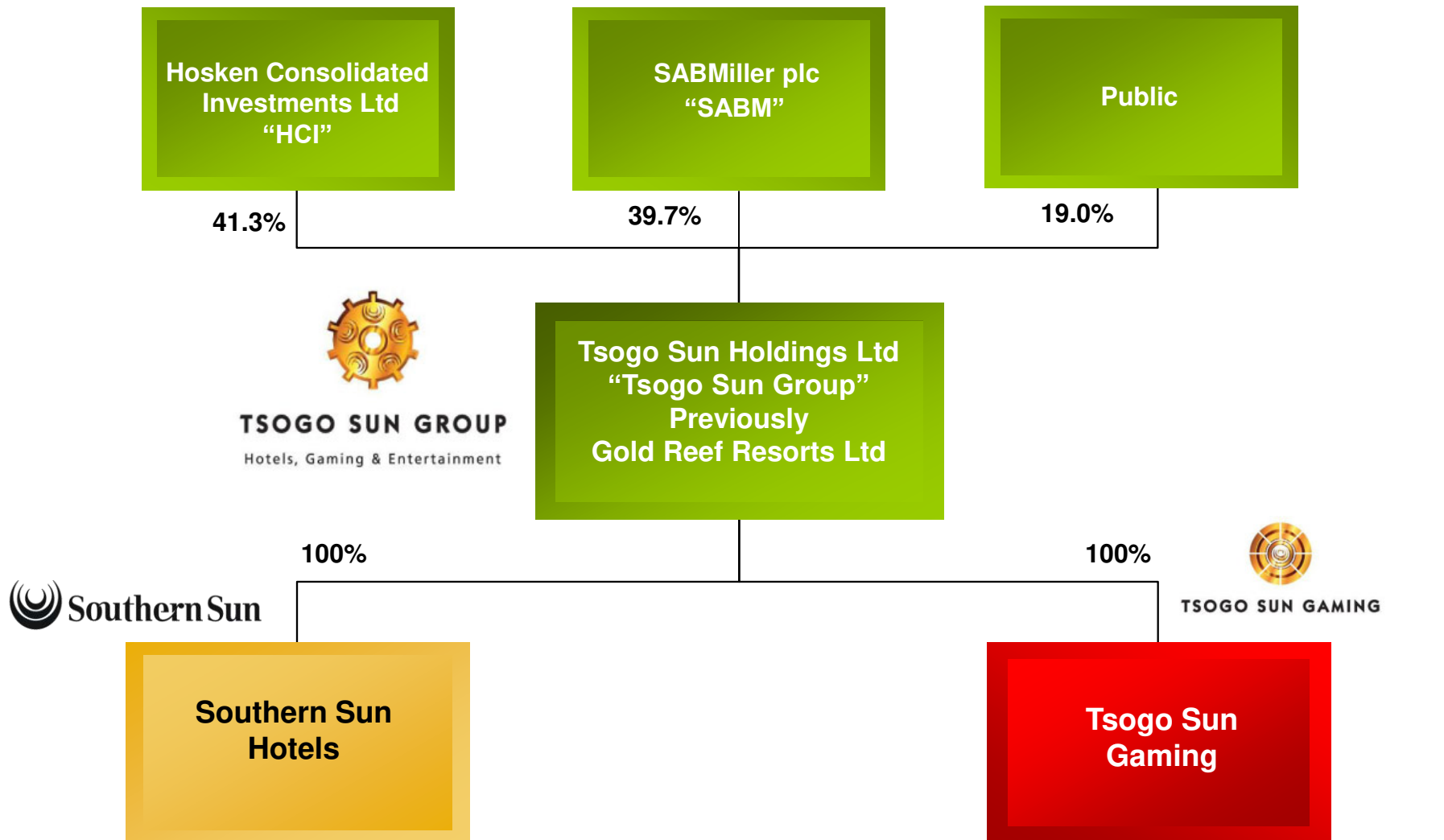
TSOGO SUN GROUP

Hotels, Gaming & Entertainment

Presentation to:-

Analysts and Investors
November 2011

Group Structure



Gaming Portfolio

Tsogo Sun Gaming



TSOGO SUN GAMING

Gauteng

KZN

Western Cape

Mpumalanga

Eastern Cape

Free State



100%



90%* (73.5%)*



100%



100%



65% (80%)



100%



100%



100%



85%



100%



25%



100%



100%



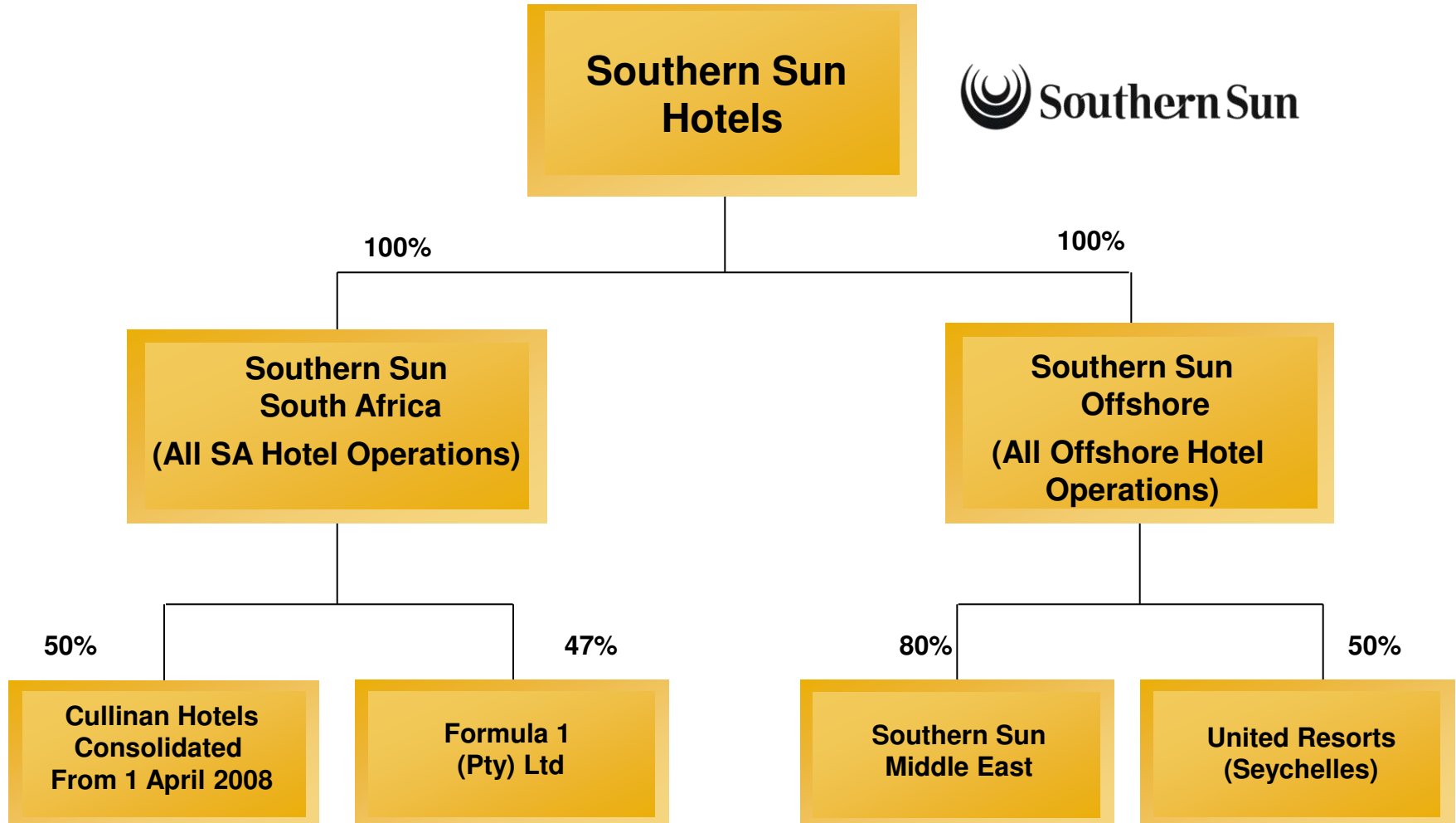
70%

* Subject to Gaming Board approval.



Hotels Structure

**Southern Sun
Hotels**



Management & Board

- **Group Executive Committee**

- **Corporate**

- Marcel von Aulock – Group CEO
- Rob Huddy – Group CFO
- Rob Collins – Chief Marketing Officer
- Vusi Dlamini – Group HR Director
- Laurelle Fick – Corporate Finance Manager
- Kevin Page – Group Development Director
- Henry Parrymore – Chief Information Officer
- Graham Tyrrell – Group Legal Director
- Wynand van Wyngaardt – Company Secretary

- **Gaming**

- Jacques Booysen – MD Gaming
- Greg Lunga – FD Gaming
- Thabo Mosololi – Operations Director Gaming

- **Hotels**

- Graham Wood – MD Hotels SA
- Richard Weilers – COO and MD Offshore
- Jaco Boshoff – FD Hotels SA

- **TSH Board of Directors**

- **Executive Directors**

- Marcel von Aulock – Group CEO
- Rob Huddy – Group CFO

- **Non-Executive Directors**

- Johnny Copelyn (Chairman)
- Jabu Mabuza (Deputy Chairman)
- Marcel Golding
- Andre Van Der Veen
- Elias Mphande
- Yunis Shaik
- Meyer Kahn
- Graham Mackay
- Malcolm Wyman
- Rex Tomlinson
- Jabu Ngcobo



Accounting Issues

- **Accounting**

- Current period results represent 6 months consolidated merge co
- Prior period results represent 6 months Tsogo with GRR equity accounted
 - Deal closed on 24 February 2011
- Exchange ratio 81% (TIH and SABSA) / 19% (Other GRR)
 - 888.3m shares issued = number of shares used for prior period EPS
 - 1096.9m shares in issue at 30 September 2011 = used for current period EPS
- Dividend
 - F'12 – Full dividend in respect of F'11 of 50c paid in June 2011 plus interim in respect of F'12 of 20c to be paid in December 2011
 - F'11 – No dividend declared during merger proceedings
 - STC charge for six months to September 2011 R67m
 - STC charge for six months to September 2010 R2m



Segmental Analysis



TSOGO SUN GROUP
Hotels, Gaming & Entertainment

Group – Revenue and EBITDAR (Rm)

	H1 F'12	H1 F'11	% Change
Revenue			
Gaming	3 439	2 188	
Hotels SA	779	859	
Hotels Offshore	153	126	
Corporate (intra-group-elimination)	(15)	(17)	
Total Group	4 356	3 156	38
GRR (management accounts)	-	1 093	*
Total Group adjusted	4 356	4 249	3
EBITDAR			
Gaming	1 338	869	
Hotels SA	214	309	
Hotels Offshore	43	34	
Corporate	4	5	
Forex gains/losses	20	(5)	
Total Group	1 619	1 212	34
GRR (management accounts)	-	390	*
Total Group adjusted	1 619	1 602	1



Tsogo Sun Segmental (Rm)

	Income		EBITDAR		EBITDAR Margin	
	H1 F'12	H1 F'11	H1 F'12	H1 F'11	H1 F'12	H1 F'11
Montecasino	1 029	993	427	403	41.5	40.6
Suncoast	627	606	292	277	46.6	45.7
Gold Reef City	558	n/a	210	n/a	37.6	n/a
Silverstar	275	n/a	98	n/a	35.6	n/a
The Ridge	172	162	79	75	45.9	46.3
Emnotweni	142	133	62	56	43.7	42.1
Hemingways	139	134	57	56	41.0	41.8
Golden Horse	138	n/a	68	n/a	49.3	n/a
Garden Route	71	n/a	31	n/a	43.7	n/a
Goldfields	64	n/a	29	n/a	45.3	n/a
Blackrock	59	52	22	18	37.3	34.6
Caledon	59	57	16	14	27.1	24.6
Mykonos	57	n/a	23	n/a	40.4	n/a
Other gaming operations	49	51	(76)	(30)	n/a	n/a
Total gaming operations	3 439	2 188	1 338	869	38.9	39.7
South African hotels division*	779	859	214	309	27.5	36.0
Offshore hotels division	153	126	63	29	41.2	23.0
<i>Pre-foreign exchange gains</i>			43	34	28.1	26.9
<i>Foreign exchange gains/(losses)</i>			20	(5)		
Corporate	(15)	(17)	4	5		
Group	4 356	3 156	1 619	1 212	37.2	38.4

Note: All casino units are reported pre-internal gaming management fees

* Includes R14.6m (2010 : R17.6m) inter-group management fees



Tsogo Sun Segmental Adjusted (Rm)

	Income Adjusted		EBITDAR Adjusted		EBITDAR Margin Adjusted	
	H1 F'12	H1 F'11	H1 F'12	H1 F'11	H1 F'12	H1 F'11
Montecasino	1 029	993	427	403	41.5	40.6
Suncoast	627	606	292	277	46.6	45.7
Gold Reef City	558	507	210	179	37.6	35.3
Silverstar	275	278	98	101	35.6	36.3
The Ridge	172	162	79	75	45.9	46.3
Emnotweni	142	133	62	56	43.7	42.1
Hemingways	139	134	57	56	41.0	41.8
Golden Horse	138	122	68	57	49.3	46.7
Garden Route	71	69	31	31	43.7	44.9
Goldfields	64	59	29	27	45.3	45.8
Blackrock	59	52	22	18	37.3	34.6
Caledon	59	57	16	14	27.1	24.6
Mykonos	57	58	23	25	40.4	43.1
Other gaming operations	49	51	(76)	(60)	n/a	n/a
Total gaming operations	3 439	3 281	1 338	1 259	38.9	38.4
South African hotels division*	779	859	214	309	27.5	36.0
Offshore hotels division	153	126	63	29	41.2	23.0
<i>Pre-foreign exchange gains</i>			43	34	28.1	26.9
<i>Foreign exchange gains/(losses)</i>			20	(5)		
Corporate	(15)	(17)	4	5		
Group	4 356	4 249	1 619	1 602	37.2	37.7

Note: All casino units are reported pre-internal gaming management fees

GRR operations based on management accounts

* Includes R14.6m (2010 : R17.6m) inter-group management fees



TSOGO SUN GROUP
Hotels, Gaming & Entertainment

Key Strategic Issues

Gaming



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Gauteng Gaming Tax

Growth in Gaming win (%)	Gauteng	Montecasino	Gold Reef City	Silverstar
Calendar years				
2000 Monte vs Sundome	25.0	(4.9)		
2001 Other casinos opened	5.8	20.9		
2002	13.9	16.5		
2003	11.0	9.6		
2004	18.9	15.5		
2005	11.1	13.2		
2006	14.9	14.5		
2007	13.1	12.6		
2008 Silverstar opened	7.8	(6.8)	(1.0)	*
2009	(0.9)	0.5	(1.3)	7.4
2010	1.1	2.0	(3.6)	0.6
12 months to March 2011	2.3	5.7	0.4	1.6
6 months to September 2011	3.3	7.3	8.4	(1.8)



KZN Gaming Tax

Growth in Gaming win (%)	KwaZulu-Natal	Suncoast	Golden Horse	Newcastle
Calendar years				
2004	24.5	37.3		
2005	24.7	22.5		
2006	16.2	15.1		
2007	19.6	15.6		
2008	6.9	8.3		
2009	4.6	5.0	1.4	5.5
2010	4.4	4.6	4.1	10.1
12 months to March 2011	5.2	5.4	3.0	6.4
6 months to September 2011	8.0	5.1	12.7	11.4



Other Gaming Tax

Growth in Gaming win (%)	Province	Unit	Unit	Unit
6 Months to September 2011	Mpumalanga	Ridge	Emnotweni	
	8.1	6.7	6.6	
	Western Cape	Caledon	Mykonos	Garden Route
	4.2	8.7	(1.0)	2.4
	Eastern Cape	Hemingways	Queens	
	0.3	4.2	5.4	
	Free State	Gold Fields		
	11.9	10.3		



Key Strategic Issues - Gaming

■ Montecasino

- Satisfactory trading
- Good privé support
- Bok town, Teatro and events attracting strong footfall

■ Gold Reef City

- Tables capacity issues addressed

■ Silverstar

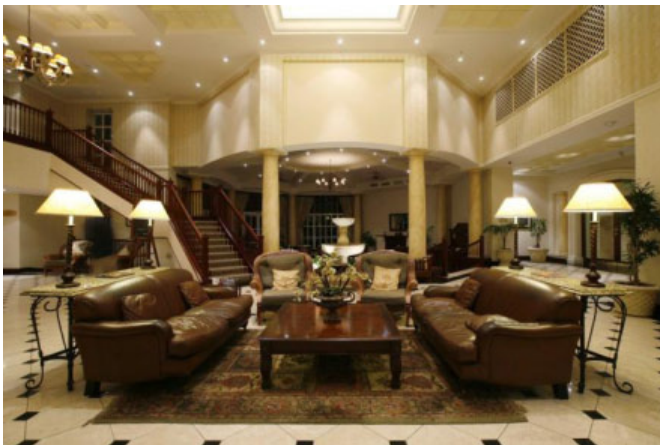
- Need footfall drivers
- Need improved design for the target market
- Redesign and re-launch planned

■ Suncoast

- Additional 120 slots and 14 tables approved
- 24 slots and 6 tables installed, balance on council approval of interior building plans
- Additional effective 30% acquired for R1bn from Johnnic in 2009
 - Potential Agterskot of up to R330m plus interest, with nil payable for F'10, R24m for F'11 and F'12 unknown as based on casino win growth to year end.
 - Difference to be released to Income in F'12 and adjusted
- Additional 16.5% effective acquired for R510m subject to Gaming Board approval.



Key Strategic Issues - Gaming



■ Hemingways

- New licence issued April 2011, effective September 2011
- ONLY Eastern cape licences expire
- Ownership diluted to 65%
- New investment R400m
 - R150m from TS Emonti cash on hand
 - R250m from TSH treasury loan
- Expand hotel by 41 rooms
- New Pavilion conference and banquet area
- New and expanded casino floor



Key Strategic Issues

Hotels



TSOGO SUN GROUP
Hotels, Gaming & Entertainment

Hotels – Portfolio Philosophy

Land

Building

Operations

Management

Branding

- Ideally own all components – Southern Sun strategic advantage in scale
- Lease building on long term basis if Tsogo can't own – but lose terminal value growth
- In SA only manage if strategically important and no option to own – low capital
- Offshore – management contracts are a low risk option to enter new markets
- Not a franchisor – control the brand



Portfolio of Brands

Deluxe

Premier

**Economy/
Economy
Plus**

Budget

**Timeshare &
Resorts**

Offshore

BH
BEVERLY HILLS
HOTEL

 Southern Sun

Garden
Court
SOUTHERN SUN

**HOTEL
FORMULE1**


Southern Sun
LIFESTYLE RESORTS

 Southern Sun




SUN
SQUARE


THE CALEDON
CASINO | HOTEL | SPA

AlManzil
HOTEL

SANDTON SUN 

stayeasy
BY SOUTHERN SUN

Oamardeen
HOTEL

 INTERCONTINENTAL.
JOHANNESBURG SANDTON TOWERS

Paradise Sun
prasin seychelles

 INTERCONTINENTAL.
JOHANNESBURG O.R. TAMBO AIRPORT

M A I A



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Hotels, Gaming & Entertainment

Owned and Managed

	Hotels	Rooms	Owned	Managed
Deluxe	5	1 037	334	703
Premier	20	4 284	3 606	678
Economy/Economy Plus	28	5 159	3 863	1 296
Budget (F1)	24	1 668	1 668	-
Timeshare & Resorts	8	1 242	414	828
South Africa	85	13 390	9 885	3 505
Offshore	9	1 325	747	578
Total	94	14 715	10 632	4 083

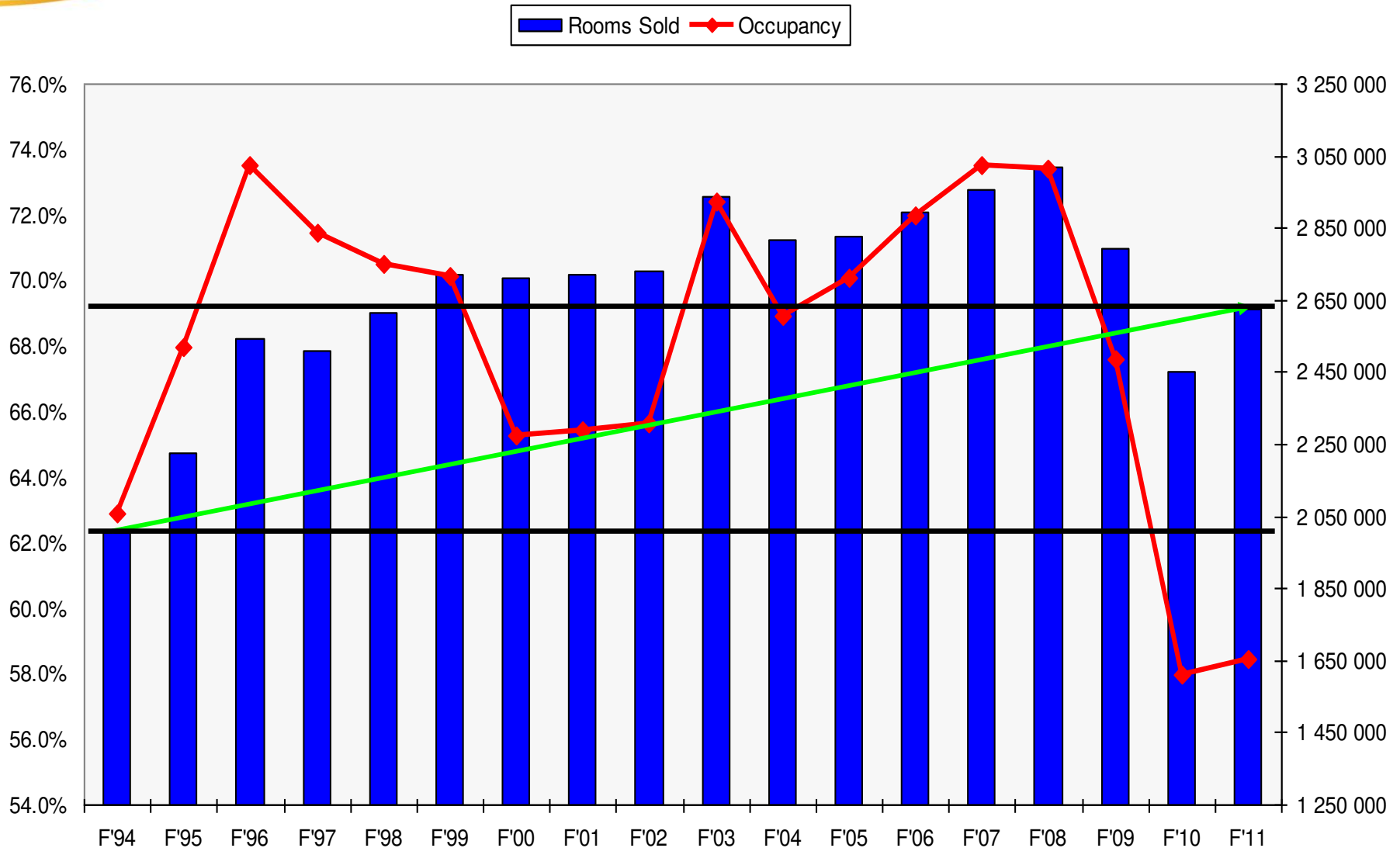
Owned includes leased hotels, gaming hotels and associates hotels

Associates are equity accounted not consolidated – Formule 1 and Maia

Owned Stats	H1 F'12	H1 F'11
Occupancy (%)	59.5	58.5
Average Rate (R)	786	917
Room nights available ('000)	1 662	1 585
Room nights sold ('000)	989	927
Room Revenue (Rm)	777	850



SA System-wide Rooms Sold Annual History



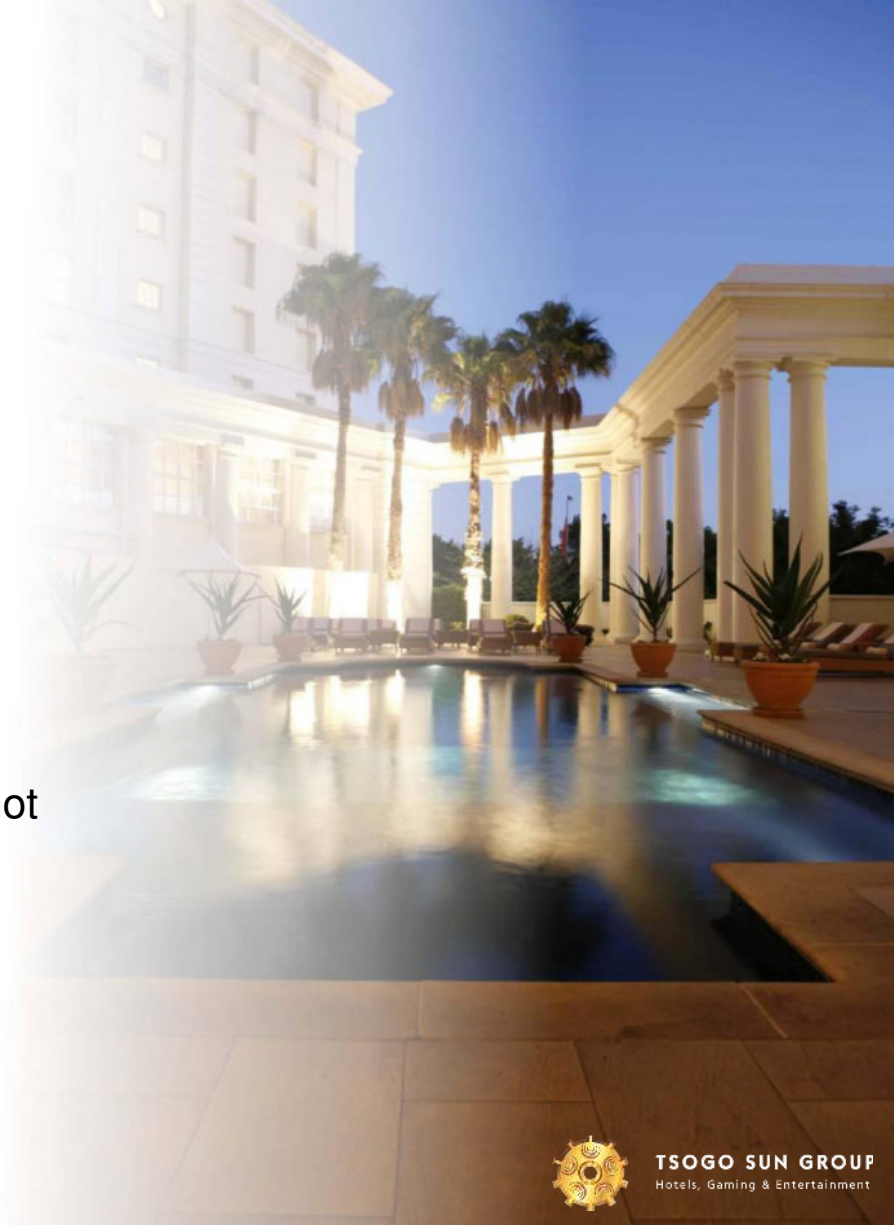
Key Strategic Issues : Hotels – South Africa

- Corporate business is still weak
- Good growth in government and leisure segments
- Comparative to prior period affected by SWC in 2010.
 - Stable occupancy
 - Lower Average Room Rate
- Group trading at substantial RevPar premiums to the market in 3, 4 and 5 star sector
 - Better product
 - Better distribution
 - Better sales and marketing
- Strong growth in earnings requires strong recovery in the corporate segment



Key Strategic Issues : Hotels – South Africa

- Distressed assets present an opportunity
- Ex Grace Hotel
 - Purchased R85m
 - Office component R30m (10% yield)
 - 73 Rooms
- Principles when pursuing distressed assets
 - Must fit core group product
 - Must be a long-term viable business
 - Cheap relative to replacement cost is not good enough



Key Strategic Issues : Hotels – Offshore



- Pursuit of management contracts continues – low risk entry to new markets
- Africa hotels strong in US\$ (occupancies H1 F'12 : 71.6%, H1 F'11 : 66.3%)
- Currency positive impact to trading in H1 F'12, due to Rand weakness against US\$ and Euro exchange rates
- Forex gain R20m (H1 F'11 loss R5m) on cash and monetary items denominated in US\$ and Euro



Financial Overview



Group – Income Statement (Rm)

	H1 F'12 Actual	H1 F'11 Actual	H1 F'11 Adjusted	% Change on Adjusted	FY F'11
Group income	4 356	3 156	4 249	3	6 487
Revenue					
Rooms	777	850	861	(10)	1 591
F&B	341	321	340	-	677
Other	275	211	268	3	415
Gaming win	2 963	1 774	2 780	7	3 804
EBITDAR	1 619	1 212	1 602	1	2 510
Gaming	1 338	869	1 259	6	1 863
Hotels – SA	214	309	309	(31)	562
– Offshore	43	34	34	26	75
Forex	20	(5)	(5)		(7)
Corporate	4	5	5		17
EBITDAR margin (%)	37.2	38.4	37.7	(0.5)pp	38.7

Adjusted - includes Gold Reef based on management accounts



Group – Income Statement (Rm)

	H1 F'12 Actual	H1 F'11 Actual	H1 F'11 Adjusted	% Change on Adjusted	FY F'11
EBITDAR	1 619	1 212	1 602	1	2 510
LTI costs	(33)	(3)	(6)		13
Rentals	(95)	(82)	(85)	(12)	(171)
Depreciation & amortisation	(321)	(227)	(328)	2	(447)
Exceptional items	4	(17)	(36)		(420)
Finance costs	(209)	(208)	(268)	22	(391)
Associates and JVs	3	34	6		79
Tax — normal	(283)	(206)	(272)	(4)	(428)
— STC	(67)	(2)	(18)		(12)
Non-controlling interests	(65)	(53)	(58)	(12)	(127)
Attributable earnings	553	448	537	3	606
Adjustments	(3)	15	33		400
Adjusted earnings	550	463	570	(4)	1 006

Adjusted - includes Gold Reef based on management accounts



Adjusted HEPS (Rm)

	H1 F'12	H1 F'11	% Change	FY F'11
Attributable earnings	553	448	23	606
Capital asset disposal profits	(3)	(4)		(5)
FV adjustment of GRR	-	-		299
Impairment of PPE (Grayston)	-	-		8
Headline earnings	550	444	24	908
Pre-opening costs	-	5		7
Debt break costs (Associate)	-	(3)		(3)
CBS loan impairment	-	3		3
GRR transaction costs	-	14		83
Lease termination costs (Grayston)	-	-		8
Adjusted headline earnings	550	463	19	1 006
Weighted no of shares in issue (m)	1 097	888	24	906
Headline EPS (cents)	50.1	50.0	-	100.2
Adjusted Headline EPS (cents)	50.1	52.1	(4)	111.1

Note : STC impact year-on-year for the period ended 30 September 2011 is 5.9c per share



Group Cash Flow (Rm)

	H1 F'12	H1 F'11	FY F'11
Cash flow generated from operations	1 503	1 145	2 381
Merger costs	-	11	(93)
Dividends received	5	48	57
Cash flow from operations	1 508	1 204	2 345
Interest paid (net)	(222)	(165)	(393)
Taxation – normal	(301)	(282)	(457)
– STC	(55)	-	(7)
Maintenance capex	(195)	(131)	(233)
Free cash flow	735	626	1 255
Ordinary dividends paid	(548)	-	-
Non-controlling interests dividends	(36)	(4)	(23)
Disposal proceeds	8	11	13
Investment activities (net)	(47)	(84)	(110)
Non-controlling interests payments	-	(2)	(3)
Increase in share scheme loans	(1)	-	-
Net cash surplus	111	547	1 132
Currency	28	(3)	(5)
Move in Net IBD	139	544	1 127
Opening net IBD	(4 154)	(4 467)	(4 467)
Acquired with acquisitions	-	-	(814)
Closing net IBD	(4 015)	(3 923)	(4 154)



Investment Activities

	H1 F'12	H1 F'11	FY F'11
Acquisitions			
Millennium contingency part settlement	24	-	-
Expansion Capex			
The Pivot development	-	79	86
Hemingways bid/expansion	14	7	13
SE Pretoria	11	-	-
Other net investments	(2)	(2)	11
	47	84	110
Maintenance Capex	195	131	233
Spend	242	215	343



Interest Bearing Debt (Rm)

	H1 F'12	H1 F'11	FY F'11
Non-controlling interests funding	99	99	99
Preference funding	1 000	1 000	1 000
External debt (amortising and bullet)	3 900	3 282	4 011
Gross IBD	4 999	4 381	5 110
Cash on hand	(984)	(418)	(956)
Net IBD	4 015	3 963	4 154

Dividend of R548m (50c per share) declared post F'11 year end

Dividend of R220m (20c per share) declared November 2011

Cost of debt — pre tax	9.7%	9.5%	9.2%
— post tax	7.5%	7.5%	7.2%



Future Prospects



TSOGO SUN GROUP
Hotels, Gaming & Entertainment

Future Prospects

■ Group

- Strong cash generation
- Growth opportunities still being pursued

■ Gaming

- Gaming win growth – medium term outlook positive
 - Need consumers to get wealthier and, more importantly, feel wealthier
 - Regulatory issues remain a threat
- Site developments
 - Hemingways
 - Silverstar
- Internet Gaming – subject to regulations

■ Hotels

- Occupancy and rate still under pressure until corporate demand recovers
- Focus on customer satisfaction and brand awareness
- Opportunistic in SA – Land bank, acquire leases, new builds and acquisitions
- Continued pursuit of offshore expansion



Thank you 



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